



**Impact of Chinese Corporations'
Investments in Sub-Saharan Africa: Ethics,
Responsibility and Sustainability**

Onjumi Charles OKUMU

A thesis submitted for the degree of Doctor of Philosophy

University of Technology Sydney

April 2016

CERTIFICATE OF ORIGINAL AUTHORSHIP

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis.

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Date: 04 April 2016

Acknowledgements

This journey was made possible by the contribution of so many people who deserve special recognition and appreciation: firstly, my Principal Supervisor and Co-Supervisor Professor Thomas Clarke and Professor Emmanuel Josserand without whose knowledge, guidance, direction and willingness to accommodate my numerous shortcomings this thesis would not come to life. Thank you Tom and Emmanuel for staying true to the course and lasting to the end. I would secondly thank UTS for granting me an International Research Scholarship, and I offer special thanks to Emeritus Professor Jenny Edwards for her constructive feedback that has helped shape this thesis. In the third instance, I would like to thank Dr Bronwen Dalton, Associate Professor Deborah Edwards, Dr Anthony Fee, Dr Marie dela Rama, Richard Audley and Dr Walter Jarvis for their time and guidance, Lydia A Ojowi for your thoughts, encouragement and initial concepts rough drafts and finally to my participants in Kenya for so freely giving up their time to be interviewed and ensuring that the data collected was both accurate and relevant; as well as my many other friends in Australia, USA and UK who have given me their support.

Special thanks are reserved for my family, parents and relatives. To my fiancé Raeleigh Elizabeth Mooney, thank you for ensuring our home was stable and for putting up with my demanding and sometimes unfriendly study schedule while at the same time conceiving and blessing our family with our beautiful son, Zawadi Charles Onjumi. Not only has he enriched our life but he has also renewed its purpose and for that, I will be forever grateful to you. To my daughter Gabby Joyce Onjumi, thank you

for understanding and learning to live with an absent father. I look forward to enjoying your warmth as we prepare for the next phase of our life as a family living together. To my Mother and Father, for believing in me and encouraging me to keep at it, and for never giving up on my childhood dream of studying overseas. I hope that I have made you proud. To my Brother Cosmas Jacob Osabo, thank you for your unyielding support and prayers. And to my extended family and relatives, thank you for welcoming me home on every occasion that I was able to return. Your hospitality made an enormous difference, and I am most appreciative. Lastly, to my editor Rick Nelson for putting up with too many revisions and working overtime to enhance the quality of this thesis – I am very grateful.

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List of Acronyms and Abbreviations

FDI – Foreign Direct Investment

MNE – Multinational Enterprises

IDI – International Direct Investment

US – United States

M&A – Merger and Acquisition

MNC – Multinational Corporations

R&D – Research and Development

SME – Small to medium enterprises

Ksh – Kenya Shillings

CSR – Corporate Social Responsibility

CEO – Chief Executive Officer

Abstract

The contemporary and continuing presence of Chinese state owned corporations in Sub Saharan Africa has reignited the long buried economic colonialism narrative. Contesting views claim the development significance of Sino-Africa engagement or that the net effect of such engagement is a basket of economic neo-colonialism. This research is anchored in public concern that, although new to Africa, China, is motivated by a desire to explore and exploit African resources similarly to Western nations in the past.

To determine China's impact, the research is nested under internationalisation – Foreign Direct Investment theory and focused on the Sub Saharan Africa region. The research is narrowed further to target Chinese state owned corporations' investments in Kenya. Applying ethnographic methodology, a representative sample of various stakeholders in Kenya was interviewed. Together with data from participant observation, documents and discourses, a detailed qualitative analysis was completed.

The study reveals the participants' experiences consist of varying view points: on one hand, the limited absorption of local labour, lack of skills and technology transfer, limited regard and care for the environment, continuous engagement in unethical practises such as bribery to win major construction tenders and other concerns, indicate that Chinese corporations are seen to exhibit features akin to economic neo-colonialism. On the other hand, through the realisation of significant infrastructure development such as the construction of roads, real estate, railways, ports, and

upgrade of airports, their real and actual impact is far from exploitation and close to a development partnership. This constitutes building the much-needed and long overdue sustainable economic foundation that will, in the long-term, facilitate real economic growth in Kenya. Importantly, through collaboration with various willing stakeholders, civic education and human rights awareness, the majority of Kenyans led by the youth are summoning their collective agency to not only create technologically sophisticated enterprises, but also to demand transparency and accountability in government, credible and unifying leadership across all levels, and unrelenting efforts in fighting corruption.